

**Introduced by Senator Ducheny**

February 23, 2007

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An act to add Section 5917.6 to the Corporations Code, relating to nonprofit public benefit corporations.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 894, as introduced, Ducheny. Nonprofit public benefit corporations: health facilities.

Under existing law, the Nonprofit Public Benefit Corporation Law, a nonprofit corporation operating or controlling a health facility, as defined, or operating or controlling a facility that provides similar health care is required to obtain the Attorney General's consent before entering into any agreement or transaction to sell or transfer its assets or control of a material amount of its assets or operations to a for-profit corporation or another nonprofit corporation.

This bill would prohibit the Attorney General from consenting to a health facility agreement or transaction in which the seller has not allowed for a public offering and exposure in the open market for at least 60 days and thoroughly considered any competing offers to the sale.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 5917.6 is added to the Corporations Code,
- 2 to read:
- 3 5917.6. The Attorney General shall not consent to a health
- 4 facility agreement or transaction pursuant to Section 5914 or 5920

- 1 in which the seller has not allowed for a public offering and
- 2 exposure in the open market for at least 60 days and thoroughly
- 3 considered any competing offers to the sale, including, but not
- 4 limited to, not-for-profit alternatives.

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